



KARASYK & MOSCHELLA, LLP
COUNSELLORS AT LAW

January 21, 2008

PHILIP KARASYK

JAMES M. MOSCHELLA

PETER E. BRILL

ADAM ETMAN

OF COUNSEL

MITCHELL HIRSCH

ELLIOT M. RUDICK

ALAN SERRINS

BARRY WASHOR

Hon. Gerard E. Lynch
United States District Judge
United States Courthouse
500 Pearl Street, Room 910
New York, NY 10007

**Re: *USA v. Peter Castellaneta and Queens Long
Island Medical Group, P.C.*
07 Civ. 7694**

Dear Judge Lynch:

In Plaintiff QLIMG's recent letter to the Court (January 15, 2008, ECF Document Number 10), QLIMG has failed to address the issue raised by this Court in its Order of November 19, 2007.

QLIMG has yet to act with respect to this Court's December 10th deadline for the filing of state attachment proceedings and has not indicated an intent to do so, other than a request for "additional time for the resolution of this issue in state court."

Mr. Castellaneta maintains his request that this Court revisit the appropriateness of the stay and interpleader action in light of QLIMG's failure in this regard.

Contrary to QLIMG's assertions, the state court issue is not likely to be resolved soon. In light of the multiple audio and written statements produced by Denise Lamonica, QLIMG's anticipated motion for summary judgment can not be expected to resolve all open issues in the state matter. Ms. Lamonica has stated repeatedly that in her criminal conduct she acted alone and without the knowledge of either Mr. Castellaneta or Mr. Gatz, and these statements are in Mr. Castellaneta's possession. Thus, unless this Court independently acts, Mr. Castellaneta's life savings will remain with this Court for much longer than suggested by QLIMG's counsel.

To clarify, the joint motion to dismiss pending in the state court action maintains that QLIMG has failed to particularize the fraud alleged; it is not a suggestion that QLIMG could never state (as opposed to sustain) a cause of action for fraud.

I make no excuse for my oversight in failing to serve a copy of my letter on QLIMG's counsel in a timely manner.

Thank you for your consideration.

Sincerely yours,

KARASYK & MOSCHELLA, LLP



Peter E. Brill

cc: Rachel H. Poritz, Esq.
Silverson Pareres & Lombardi, LLP
(via e-mail)

Roger J. Bernstein
Bernstein, Nackman & Feinberg, LLP
(via e-mail)

Seetha Ramachandran, Esq.
Assistant United States Attorney
(via e-mail)